

17 August 1976

POSSIBLE DISCUSSION NOTES

*Mullins held
19 Aug 76*

SUBJECT: OP/IG Differences Regarding the Administration of the
Agency's Position Management and Classification Program

1. General

In Tab B (Attachment #1) of OP's response to the IG's Report of Survey, the Office of Personnel addressed in considerable detail each of the IG Inspection Team's perceptions, conclusions and recommendations regarding the administration of the Agency's position management and classification program. Tab B therefore stands as a ready reference and presents OP's position and alternate recommendations on specific points.

2. Primary Issue

The primary issue involves the IG's Recommendation No. 7 - "that the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before effecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade."

OP's Position and Rationale

a. Internal Considerations

(1) The Office of Personnel regards this IG's recommendation to decentralize authentication (i.e., approving) authority for Staffing Complements to the Deputy Directors as seriously impairing the stability, objectivity, and overall effectiveness of the CIA position management and classification program.

(2) The retention and strengthening of a "neutral" centralized focus on position structures and classification adjudication is essential to assure maintenance of the job/pay equity for comparable positions throughout the Agency and preclusion of unjustified grade escalations, undergrading, excessive supervisory layering and organizational fragmentation.

Use 1st as argument

(3) Deputy Directors, constrained only to "consider" Office of Personnel recommendations on position grades and bound only by their staff manpower ceilings and average grade, would inevitably be heavily influenced in arriving at position grade determinations by considerations (such as providing CSGA headroom for more promotions, short term improvement of morale, enhancing internal and external recruitment) other than on the impartial and objective basis of job content.

(4) The Office of Personnel has proposed an alternate recommendation (page 17 of Tab B) which would retain centralized responsibility and authority for the administration of the Agency's position management and classification program and provide effective appeal mechanisms for the timely and equitable resolution of differences.

b. External Considerations

(1) On 27 May 1976, President Ford in a memorandum to Heads of all Federal Agencies (attachment #2) expressed his concern over the substantial rise in the average grade of Federal employees. In his memorandum the President acknowledged that technological changes and other factors have influenced some of this grade escalation but cited reviews by the CSC, the GAO and OMB that indicate that classification and position management systems are not functioning as effectively as they should be in a number of Federal agencies. President Ford charged all Heads of Agencies with reviewing their internal position management and classification systems to ensure they are operating effectively and in full compliance with applicable laws and regulations and then report to the Civil Service Commission in a manner to be prescribed by the Civil Service Commission as to actions taken and results of those actions. The Civil Service Commission was charged with vigorously pursuing its program of evaluating agency performance and bringing about corrective action in the areas of position management and classification. The Office of Management and Budget was charged with working with agencies to correct problems and to prescribe special instructions where warranted.

(2) Pursuant to President Ford's memorandum, in June 1976 Robert E. Hampton, Chairman of the Civil Service Commission, sent a letter (attachment #3) to the DCI reaffirming President Ford's concerns and citing the need for assurance "that your Agency's system is in full legal and regulatory compliance and that management controls by which classification integrity is maintained are in place and working."

(3) On 2 July 1976 the Civil Service Commission issued a guidance bulletin (attachment #4) outlining their responsibilities as directed by President Ford to assess and report on the quality of position management and classification programs in agencies. This guidance bulletin also outlined the Agenda for the conduct of Position Management System Reviews for FY 1977.

(4) On 26 July 1976 at a meeting with ICS and OMB to defend the ICS supergrade position requirements, Mr. Arnie Donohue (OMB) stated that in view of CIA's exemption from the Classification Act of 1949 and normal oversight in position classification matters by the Civil Service Commission, OMB intended to exercise comparable oversight responsibility to assure the validity of the Agency's position classification processes.

(5) Apart from the Executive initiatives cited above, in December 1975 the Comptroller General of the United States issued a Report to the Congress on Position Classification within Federal Agencies (attachment #5). Some of the conclusions of this report were that: the classification of Federal White Collar jobs should be better controlled; that weak controls and pressures exerted on job classification have resulted in overgraded Federal positions; managers' attitudes are not conducive to making the classification process work; managers exert pressure to have positions overgraded and are reluctant to correctly classify overgraded positions.

(6) In the face of the current significant external concern and emphasis on the need to strengthen controls and oversight by Agency Heads of their internal position management and classification systems, it is essential that the Agency maintain an impartial centralized authority for the adjudication of position structures and grades.

3. Secondary Issue

The secondary issue between OP and the IG involves their Recommendation No. 8 - "that the Director of Personnel monitor Directorate and DCI area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned."

OP's Position and Rationale

The Office of Personnel views this recommendation as essentially unworkable under the circumstances that would prevail. As the IG has noted, the Director of Personnel would be placed in the position of monitoring and challenging decisions already made. The number of issues would increase considerably placing an unacceptable burden on the appeal mechanism to the DCI. In addition, experience has proven that it is more difficult to redress errors in position structures and grade levels than it is to negotiate and resolve disagreements with the operating officials concerned before classification action is taken.